261—175.5 (15,15G,83GA,SF344) Procedures for waiver of wage and other program requirements.

175.5(1) *General information.* Within the parameters described in this rule, the board may, for good cause shown, waive qualifying wage threshold requirements. 2009 Iowa Acts, Senate File 344, section 3, permits applicants to apply to the board for a waiver of the qualifying wage threshold for the 130 percent wage component of the grow Iowa values financial assistance program. Iowa Code section 15.335A(3) as amended by 2009 Iowa Acts, Senate File 344, section 16, allows a community to apply to the board for a project-specific waiver from the qualifying wage threshold requirement provided in the HQJP in order to seek tax incentives for an eligible business.

175.5(2) *Definition of "good cause."* For purposes of this rule, "good cause" can include, but is not limited to, documentation of any of the following:

a. *Economic distress.* An applicant can establish good cause by demonstrating that the proposed project is located or plans to locate in an area that has experienced economic distress. Data that can be used to establish economic distress may be based on a combination of factors including, but not limited to:

(1) A county family poverty rate significantly higher than the state average.

(2) A county unemployment rate significantly higher than the state average.

(3) A unique opportunity to use existing unutilized facilities in the community.

(4) A significant downsizing or closure by one of the community's major employers.

(5) An immediate threat posed to the community's workforce due to the downsizing or closure of a business.

b. *Targeted industry project.* An applicant can establish good cause by demonstrating that the proposed project meets all of the following criteria:

(1) The business is in one of the state's targeted industry clusters: life sciences, information solutions, and advanced manufacturing.

(2) All jobs created as a result of the project have a qualifying wage threshold equal to or greater than 100 percent of the county wage.

(3) The business is headquartered in Iowa or, as a result of the proposed project, will be headquartered in Iowa. In lieu of the business's being headquartered in Iowa, the proposed project has unique aspects which will assist the department in meeting one or more of its strategic objectives.

175.5(3) *Request to waive HQJP qualifying wage threshold requirement.*

a. Iowa Code section 15.335A(3) as amended by 2009 Iowa Acts, Senate File 344, section 16, authorizes a community to request a project-specific waiver from the qualifying wage threshold requirement in order to seek tax incentives for an eligible business.

b. Upon a showing of good cause as defined in subrule 175.5(2), the board may grant a project-specific waiver from the county or regional wage calculations for the remainder of a calendar year based on county wage or regional wage calculations brought forth by the applicant county including, but not limited to, any of the following:

(1) The county wage calculated without wage data from the business in the county employing the greatest number of full-time employees.

(2) The regional wage calculated without wage data from up to two adjacent counties.

(3) The county wage calculated without wage data from the largest city in the county.

(4) A qualifying wage guideline for a specific project based upon unusual economic circumstances present in the city or county.

(5) The annualized, average hourly wage paid by all businesses in the county located outside the largest city of the county.

(6) The annualized, average hourly wage paid by all businesses other than the largest employer in the entire county.

175.5(4) *Request to waive qualifying wage threshold for the 130 percent wage component of the grow Iowa values financial assistance program.*

a.   2009 Iowa Acts, Senate File 344, section 3, allows applicants to apply to the board for a waiver of the 130 percent wage component of the grow Iowa values financial assistance program.

b.   Upon a showing of good cause as defined in subrule 175.5(2), the board may grant a project-specific waiver of the qualifying wage threshold for the 130 percent wage component of the grow Iowa values financial assistance program. The board may grant a waiver from the county wage calculations based on county or regional wage calculations brought forth by the applicant including, but not limited to, any of the following:

(1)   The county wage calculated without wage data from the business in the county employing the greatest number of full-time employees.

(2)   The regional wage calculated without wage data from up to two adjacent counties.

(3)   The county wage calculated without wage data from the largest city in the county.

(4)   A qualifying wage threshold for a specific project based upon unusual economic circumstances present in the city or county.

(5)   The annualized, average hourly wage paid by all businesses in the county located outside the largest city of the county.

(6)   The annualized, average hourly wage paid by all businesses other than the largest employer in the entire county.

[**ARC 7970B**, IAB 7/15/09, effective 7/1/09; **ARC 8145B**, IAB 9/23/09, effective 10/28/09]